

P. BROTHMAN
1969

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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D. C. 20549

40116101
SUPERFUND RECORDS

FORM 10-K
ANNUAL REPORT

PURSUANT TO SECTION 13 OR 15 (D) OF THE
SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED DECEMBER 31, 1969
COMMISSION FILE NUMBER 1-2223

SUN OIL COMPANY
(INCORPORATED IN NEW JERSEY)

1608 WALNUT STREET, PHILADELPHIA, PA. 19103

(I.R.S. EMPLOYER IDENTIFICATION NO. 23-1136570)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:

TITLE OF CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
COMMON STOCK, \$ 1 PAR VALUE	NEW YORK STOCK EXCHANGE PHILADELPHIA - BALTIMORE - WASHINGTON STOCK EXCHANGE CALGARY STOCK EXCHANGE
\$2.25 CUMULATIVE CONVERTIBLE PREFERRED STOCK, NO PAR VALUE (STATED VALUE, \$ 5 PER SHARE)	NEW YORK STOCK EXCHANGE PACIFIC COAST STOCK EXCHANGE MIDWEST STOCK EXCHANGE CALGARY STOCK EXCHANGE
SINKING FUND DEBENTURES 4½%, DUE NOVEMBER 15, 1990	NEW YORK STOCK EXCHANGE
SINKING FUND DEBENTURES 4½%, DUE MAY 1, 1987	NEW YORK STOCK EXCHANGE

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SUN OIL COMPANY

ITEM 1. NUMBER OF EQUITY SECURITY HOLDERS

<u>Title of Class</u>	<u>Number of Holders of Record, February 27, 1970</u>
Common Stock, \$1 par value	38,245
\$2.25 Cumulative Convertible Preferred Stock, no par value (stated value, \$5 per share)	88,507

ITEM 2. INCREASES AND DECREASES IN OUTSTANDING EQUITY SECURITIES

<u>Title of Class</u>		<u>Shares</u>
Common Stock, \$1 par value:		
Issued as of December 31, 1968		27,204,688
Increases During Fiscal Year:		
Conversion of 19,866 Shares of Preferred Stock		13,721
6% Stock Dividend issued to Equity Security Holders on December 10, 1969		1,633,003
Issued as of December 31, 1969		28,851,412
Less Treasury Stock:		
a. Balance December 31, 1968	427,148	
b. Net Decrease during year	160,311	266,837
Outstanding as of December 31, 1969		28,584,575
\$2.25 Cumulative Convertible Preferred Stock, no par value (stated value, \$5 per share):		
Issued as of December 31, 1968		18,499,530
Shares Converted to Common		(19,866)
Stock Options exercised		11,581
DX Division Incentive Plan		408
Retirement of OMR Stock (Preferred equivalent)		(634)
Retirement of Superior Oil fractional shares due to exchange to Preferred		(6)
Outstanding as of December 31, 1969		18,491,013

ITEM 3. PARENTS AND SUBSIDIARIES OF REGISTRANT AS OF DECEMBER 31, 1969

<u>Name of Company</u>	<u>State or Sovereign Power Under Which Organized</u>	<u>Percentage Voting Securities Owned</u>
Registrant: Sun Oil Company	New Jersey	-
Subsidiaries:		
✓ Argentine Sun Oil Company	Delaware	100
✓ Australian Sun Oil Company Ltd.	Delaware	100
✓ Bahamian Sun Oil Company	Delaware	100
✓ B & M Transportation Company	North Carolina	100
✓ Barnsdall Oil Company	New Jersey	100
✓ Barringer Oil Company	North Carolina	100
✓ Bentex Oil Corporation	Texas	100
✓ British Sun Oil Company, Limited	Great Britain	100

ITEM 3. PARENTS AND SUBSIDIARIES OF REGISTRANT AS OF DECEMBER 31, 1969 (continued)

<u>Name of Company</u>	<u>State or Sovereign Power Under Which Organized</u>	<u>Percentage of Voting Securities Owned</u>
✓Caribe Sun Oil Company	Delaware	100
✓The Claymont Investment Company	Delaware	100
✓Cordero Mining Company	Nevada	100
✓Deutsche Sun Oil Company	Delaware	100
✓Dubai Sun Oil Company	Delaware	100
Hispanic Sun Oil Company	Delaware	100
✓International Fuel Corporation	Liberia	80
✓Iranian Sun Oil Company	Delaware	100
✓Kelly Company	Pennsylvania	100
✓Kenco Terminal, Inc.	North Carolina	100
✓Kenco Petroleum Marketers, Inc.	North Carolina	100
✓Ketrick & Son, Inc.	Pennsylvania	100
✓Lansing-Lewis Company	Michigan	100
X Lansing Oil Company	Michigan	100
✓Liberia Refining Company	Liberia	67
✓Libyan Sun Oil Company	Delaware	100
✓Metropolitan Oil Corporation	Indiana	100
✓Mid-Continent Pipe Line Company	Oklahoma	100
✓Millcreek Leasing Corporation	Delaware	100
✓Minnisink Oil Company, Inc.	New Jersey	100
✓Mohawk Valley Oil, Inc.	New York	100
✓Montour Auto Service Company	Pennsylvania	100
✓Netherlands Sun Oil Company	The Netherlands	100
✓Deluxol Olie Maatschappij N.V.	The Netherlands	100
XHarry Newman Motor Sales Company	Michigan	100
✓Noordzee Sun Oil Company	Delaware	100
✓North Chester Realty Company	Pennsylvania	100
✓North Sea Sun Oil Company Ltd.	Delaware	100
✓OMR Pipe Line Company	Delaware	100
✓Pakistan Sun Oil Company	Delaware	100
✓H. H. Palmer, Inc..	Pennsylvania	100
XPlanters Fertilizer Company, Inc.	Mississippi	100
✓Portugal Sun Oil Company	Delaware	100
✓Premier Petroleum Company	Oklahoma	100
✓Prestige Lubricants, Inc.	Delaware	100
✓Puerto Rico Sun Oil Company	Delaware	100
✓Red Barn Chemicals, Inc.	Delaware	100
✓Roberts Butane Company	Texas	75
✓Sharkey Oil Company	Michigan	100
✓Solgas, Inc.	Delaware	100
✓South Central Oil Company	Delaware	100
✓Sperry-Sun Well Surveying Company	Delaware	100
✓Sperry-Sun of Canada, Ltd.	Canada	100
✓Sungas, Inc.	Delaware	100
✓Sun International Finance Corp.	Delaware	100
✓Sun Oil Company (Belgium) S.A.	Belgium	100
✓Sun Oil Company Limited	Canada	100
✓Albersun Oil and Gas, Ltd.	Alberta	100
✓F. W. Argue, Limited	Canada	100
✓Dalton Fuels Limited	Ontario	100
✓Durie Fuels, Ltd.	Ontario	100
✓Gow Fuels, Inc.	Quebec	100
✓Great Canadian Oil Sands Limited	Canada	81.7*
✓Athabasca Realty Company Limited	Alberta	100
✓Great Canadian Oil Sands Supply Limited	Alberta	100
✓McMaster Oil Company Limited	Ontario	100
✓Guimet-Gobeille, Inc.	Quebec	100
✓Ross Scott Limited	Ontario	100
✓Solar Communications, Limited	Canada	100
✓Sterling Oil Distributors, Limited	Ontario	100
✓Sun-Canadian Pipe Line Co., Limited	Ontario	55
✓Sun Explorations of Quebec Ltd.	Quebec	100

ITEM 3. PARENTS AND SUBSIDIARIES OF REGISTRANT AS OF DECEMBER 31, 1969 (continued)

<u>Name of Company</u>	<u>State or Sovereign Power Under Which Organized</u>	<u>Percentage of Voting Securities Owned</u>
Sun Oil GmbH	Germany	100
Sun Oil International, Inc.	Delaware	100
Sun Oil Line Company of Michigan	Michigan	100
Sun Pipe Line Company	Pennsylvania	100
Sun Pipe Line Company of Delaware	Delaware	100
Sunray Australian Oil Company, Inc.	Delaware	100
Sunray Borneo Oil Company, Inc.	Delaware	100
Sunray Colombia Oil Company	Delaware	100
Sunray DX Canada Oil Company	Delaware	100
Sunray DX Liberia Oil Company	Liberia	100
Sunray DX Northern Oil Co. Ltd.	Alberta	100
Sunray DX Western Oil Co. Ltd.	Alberta	100
Sunray Iranian Oil Company, Inc.	Delaware	100
Sunray Libya, Inc.	Delaware	100
Sunray Michigan Corporation	Delaware	100
Sunray Mozambique Oil Company, Inc. (La.)	Louisiana	100
Sunray Nigeria, Inc.	Delaware	100
Sunray Venezuela Oil Company, Inc.	Delaware	100
Sun Shipbuilding & Dry Dock Company	Pennsylvania	100
Sun Venture Corporation	Delaware	100
Suntide Pipeline Company	Delaware	100
Suntide Refining Company	Delaware	100
Taylor Brothers Fuel Company	Michigan	100
Terminal City Transport, Inc.	North Carolina	100
Travelers Oil Company, Inc.	North Carolina	100
Trinidad Sun Oil Company	Delaware	100
Venezuelan Sun Oil Company	Delaware	100
Yabucoa Sun Oil Company	Puerto Rico	100

* Represents percentage ownership of common shares only, or 65.8% of total voting securities.

NOTE: All of the above companies are included in the consolidated financial statements filed herewith.

The names of two 50% owned companies, two companies wholly owned by a subsidiary of the Company, and one company 50% owned by a subsidiary of the Company are omitted inasmuch as such companies, considered in the aggregate as a single subsidiary, would not constitute a significant subsidiary.

ITEMS 4 TO 9, INCLUSIVE

Items 4 to 9, inclusive, have been omitted by Registrant which, since the close of the fiscal year, has filed with the Commission a definitive proxy statement pursuant to regulation 14A, which involved the election of Directors.

Such a proxy statement was filed by this Company with the Securities and Exchange Commission in 1970.

ITEM 10. FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial Statements

Financial Statements (as indicated by index) are filed as a part of this Annual Report.

(b) Exhibits

Exhibit A. Form 11-K, Annual Report of Stock Purchase Plan for the Employees of Sun Oil Company.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this Annual Report to be signed on its behalf by the undersigned thereunto duly authorized.

SUN OIL COMPANY
(Registrant)

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BY: Joseph R. Layton
(Joseph R. Layton)
(Vice President and Controller)

Date: April 29, 1970

SUN OIL COMPANY AND
SUN OIL COMPANY AND SUBSIDIARIES

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FOR THE YEAR ENDED DECEMBER 31, 1969

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All other schedules are omitted because the required information is shown elsewhere in the report or the schedules are not required or are not applicable.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
Sun Oil Company
Philadelphia

We have examined the financial statements and related supporting schedules of Sun Oil Company and of Sun Oil Company and Subsidiaries for the year ended December 31, 1969. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheets, statements of income and earnings employed in the business, and statement of changes in capital stock (Pages F-3 to F-11, inclusive) present fairly the financial position of Sun Oil Company and of Sun Oil Company and Subsidiaries at December 31, 1969, and the results of their operations for the year then ended, and the supporting schedules (Pages F-12 to F-20, inclusive) present fairly the information required to be included therein, and all are in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Lybrand, Ross Bros. & Montgomery

Philadelphia, Penna.
February 16, 1970

SUN OIL COMPANY AND
SUN OIL COMPANY AND SUBSIDIARIES
BALANCE SHEETS
DECEMBER 31, 1969
(IN THOUSANDS OF DOLLARS)

ASSETS

	<u>Company</u>	<u>Consolidated</u>
CURRENT ASSETS:		
Cash	\$ 53,348	\$ 66,002
Short term investments, at cost which approximates market	28,979	35,448
Accounts and notes receivable	234,761	321,936
Inventories (Note 2):		
Crude oil	25,753	36,499
Refined products	95,691	129,252
Work in process	-	10,894
Materials and supplies	23,054	31,909
	<u>144,498</u>	<u>208,554</u>
Total Current Assets	<u>461,586</u>	<u>631,940</u>
LONG TERM RECEIVABLES AND INVESTMENTS:		
Accounts and notes receivable	32,633	90,709
Investment in consolidated subsidiaries, at cost (Schedule III) (Note 1)	275,436	-
Indebtedness of consolidated subsidiaries (Schedules IV and X)	96,761	-
Other investments, at cost or cost plus equity in undistributed earnings (Note 1)	<u>30,628</u>	<u>38,179</u>
	<u>435,458</u>	<u>128,888</u>
PROPERTIES, PLANTS AND EQUIPMENT, at cost (Schedule V):		
Production	899,371	1,051,991
Manufacturing	536,835	653,090
Marketing	550,481	634,684
Transportation	74,198	210,870
Mining	-	248,285
Shipyard	-	39,368
Administrative and others	<u>6,051</u>	<u>20,846</u>
	<u>2,066,936</u>	<u>2,859,134</u>
Less accumulated depreciation and depletion (Schedule VI) (Note 3)	<u>947,420</u>	<u>1,182,862</u>
	<u>1,119,516</u>	<u>1,676,272</u>
PREPAID AND DEFERRED CHARGES:		
Pension costs	52,308	56,348
Excess of cost of investments in subsidiaries over equity in net assets acquired (Schedule VII)	3,201	6,229
Other	<u>13,056</u>	<u>28,534</u>
	<u>68,565</u>	<u>91,111</u>
	<u>\$2,085,125</u>	<u>\$2,528,211</u>

See appended notes which are an integral part of these statements.

SUN OIL COMPANY AND
SUN OIL COMPANY AND SUBSIDIARIES
BALANCE SHEETS
DECEMBER 31, 1969
(IN THOUSANDS OF DOLLARS)

LIABILITIES AND STOCKHOLDERS' EQUITY

	<u>Company</u>	<u>Consolidated</u>
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 140,154	\$ 185,447.
Notes and bonds payable (Note 6)	38,927	63,634
Taxes, other than income taxes	31,438	43,050
Income taxes	24,686	45,378
Total Current Liabilities	<u>235,205</u>	<u>337,509</u>
LONG TERM DEBT (Schedule IX) (Note 6)	<u>203,223</u>	<u>402,932</u>
DEFERRED CREDITS:		
Income taxes	97,921	120,928
Installment sales of properties and future oil production, to be included in revenue as proceeds are received or oil is produced	26,357	26,357
Other (Schedule XII)	18,541	23,382
	<u>142,819</u>	<u>170,667</u>
MINORITY INTEREST:		
Capital (Schedule XIII)	-	4,803
Earnings employed in the business (Note 1)	-	(3,001)
	<u>-</u>	<u>1,802</u>
STOCKHOLDERS' EQUITY (Note 7):		
Preferred stock, \$2.25 cumulative convertible stated value \$5 per share (aggregate involuntary liquidation value \$961,533,000) (Schedule XIII) (Note 7)		
Authorized - 19,000,000 shares		
Issued - 18,491,013 shares	92,455	92,455
Common stock, par value \$1 per share (Schedule XIII)		
Authorized - 100,000,000 shares		
Issued - 28,851,412 shares	28,851	28,851
Capital in excess of par or stated value, as annexed	1,098,024	1,098,024
Earnings employed in the business, as annexed	298,659	410,082
	<u>1,517,989</u>	<u>1,629,412</u>
Less common stock held in treasury, 266,837 shares, at cost (Schedule XIII)	14,111	14,111
	<u>1,503,878</u>	<u>1,615,301</u>
	<u>\$2,085,125</u>	<u>\$2,528,211</u>

See appended notes which are an integral part of these statements.

SUN OIL COMPANY AND
SUN OIL COMPANY AND SUBSIDIARIES
STATEMENTS OF INCOME AND EARNINGS EMPLOYED IN THE BUSINESS
FOR THE YEAR ENDED DECEMBER 31, 1969
(IN THOUSANDS OF DOLLARS)

	<u>Company</u>	<u>Consolidated</u>
REVENUES:		
Sales and other operating income	\$1,506,563	\$1,837,757
Other income:		
Gain on sale of fixed assets	5,662	5,944
Dividends (Schedule XVII)	4,724	1,853
Interest	9,220	10,885
Miscellaneous, net (Note 1)	1,513	2,400
	<u>1,527,682</u>	<u>1,858,839</u>
COSTS AND EXPENSES:		
Costs and operating expenses (Notes 3 and 12)	944,809	1,108,157
Selling, general and administrative expenses (Notes 3 and 12)	199,759	232,435
Taxes, other than income taxes (Note 5)	56,850	98,688
Intangible development costs (Note 4)	38,042	47,304
Depreciation, cost depletion and retirements (Schedule VI) (Note 3)	90,881	120,221
Interest and debt expense	12,218	26,004
Minority interest	-	(22)
	<u>1,342,559</u>	<u>1,632,787</u>
INCOME BEFORE PROVISION FOR INCOME TAXES	185,123	226,052
PROVISION FOR INCOME TAXES (Note 5):		
Federal	34,386	48,207
Foreign and other	260	25,585
	<u>34,646</u>	<u>73,792</u>
NET INCOME	150,477	152,260
EARNINGS EMPLOYED IN THE BUSINESS AT JANUARY 1	<u>301,626</u>	<u>411,266</u>
	<u>452,103</u>	<u>563,526</u>
CASH DIVIDENDS:		
Preferred stock, \$2.25 per share	41,602	41,602
Common stock, \$.94 per share	26,926	26,926
STOCK DIVIDENDS:		
Common stock - 6%	84,916	84,916
	<u>153,444</u>	<u>153,444</u>
EARNINGS EMPLOYED IN THE BUSINESS AT DECEMBER 31	<u>\$ 298,659</u>	<u>\$ 410,082</u>
Net income per common share after provision for cash dividends on preferred stock (Note 8)		\$ 3.88
Net income per common share assuming full conversion of all preferred stock (Note 8)		\$ 3.62

See appended notes which are an integral part of these statements.

SUN OIL COMPANY AND
SUN OIL COMPANY AND SUBSIDIARIES
STATEMENT OF CHANGES IN CAPITAL STOCK
FOR THE YEAR ENDED DECEMBER 31, 1969
(IN THOUSANDS OF DOLLARS,

	Preferred		Common		Capital in		Common Stock
	Shares	Stated	Shares	Par	Excess of	Held in Treasury	
		Value		Value	Par or	Shares	Cost
					Stated Value		
AT DECEMBER 31, 1968:							
Issued	18,499,530	\$92,498	27,204,688	\$27,205	\$1,008,122	-	\$ -
Held in treasury	-	-	-	-	-	427,148	20,141
6% stock dividend	-	-	1,633,003	1,633	83,283	14,018	-
Option and incentive plans	11,989	60	-	-	235	-	-
Preferred converted or retired	(20,506)	(103)	13,721	13	52	-	-
Treasury stock:							
Purchases	-	-	-	-	-	66,539	4,083
Contributed to pension fund	-	-	-	-	6,301	(160,000)	(4,494)
Used in acquisitions	-	-	-	-	6	(66,399)	(4,539)
Used for executive compensation plan	-	-	-	-	25	(14,469)	(1,030)
AT DECEMBER 31, 1969:							
Issued	18,491,013	\$92,455	28,851,412	\$28,851	\$1,098,024	-	\$ -
Held in treasury	-	-	-	-	-	266,837	14,111

See appended notes which are an integral part of these statements.

SUN OIL COMPANY AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

1. Principles of Consolidation:

The consolidated financial statements include the accounts of all significant subsidiaries owned more than 50 percent. The parent company's equity in the net assets of the consolidated subsidiaries at December 31, 1969, exceeded the cost of those investments by \$111,423,000, which amount is included in consolidated earnings employed in the business. Approximately \$272,335,000 of net assets at December 31, 1969, pertain to subsidiaries' operations outside of the United States, principally in Canada (\$183,851,000), Venezuela (\$35,843,000), Iran (\$16,206,000) and in Liberia (\$13,497,000).

The financial statements also include Sun's equity in the undistributed earnings of the affiliated companies in which it owns a proprietary half interest. The increase in such equity, amounting to \$739,000 (Company and Consolidated) in 1969, is included in miscellaneous income.

Appropriate rates of exchange have been used to convert foreign currency statements to U. S. dollars. The conversion gains or losses, which are not significant, are included in consolidated income.

The excess of minority interest in accumulated losses over minority investment in two subsidiaries, Great Canadian Oil Sands Limited and Liberia Refining Company, amounted to \$6,814,000 at December 31, 1969. This amount is included in other pre-paid and deferred charges (Consolidated) in anticipation of improved results of the companies in future years.

Sun Oil Company's dividend and interest income includes \$4,682,000 and \$4,061,000, respectively, from subsidiaries, which amounts have been eliminated in consolidation.

2. Inventories:

Crude oil inventories are valued generally on a last-in, first-out pricing method based upon the market prices of crude oil prevailing in the field at the time of production or purchase, plus the cost of transportation to the refineries.

Refined products inventories are valued generally on a last-in, first-out pricing method based upon the value of the oils taken out of inventory for refining (as computed above), plus refining costs. Transportation costs from refineries to marketing centers are carried at average costs.

At December 31, 1969 approximately 26% and 23%, respectively, of the consolidated value of crude oil and refined products inventories and 9% of the value of the Company's refined products inventories are valued at first-in, first-out or average cost.

Crude oil and refined products inventories, as valued on the foregoing bases, are stated at less than market.

Materials and supplies are valued at cost or less, principally on the basis of average cost. Work in process inventories are valued at cost less progress billings.

The inventories of crude oil, refined products and work in process used in the computation of cost of sales are as follows:

	<u>Company</u>	<u>Consolidated</u>
	<u>(In Thousands</u>	<u>of Dollars)</u>
December 31, 1969	\$121,444	\$176,645
December 31, 1968	120,579	174,926

Notes to Financial Statements, Continued

3. Depreciation, Cost Depletion and Retirements:

Depreciation policy for accounting purposes is designed to recover on a straight-line basis the cost of properties, plants and equipment during their estimated useful lives. Experience is reviewed from time to time and rates are revised when necessary. A summary of the principal annual rates in effect is not considered practicable because of the varying types of property and rates applied thereto.

The cost of developed or producing leaseholds, which excludes intangible development costs, is depleted on the basis of crude oil and natural gas produced from the properties leased. For income tax purposes, a mineral depletion allowance is deducted when in excess of depletion based upon cost.

The cost of undeveloped leaseholds cancelled or surrendered during the year is customarily charged to income. This charge amounts to \$17,468,000 (Company) and \$19,661,000 (Consolidated) in 1969.

The Company's policy is to charge all items for maintenance and repairs to expense as incurred; renewals and betterments are capitalized. Adjustment is made for the cost of property items retired or replaced, less accumulated depreciation and salvage recovered. Profits and losses on the disposal of fixed assets are generally reflected in income, although for certain property groups the cost, less salvage, of property sold or abandoned is charged to accumulated depreciation and depletion.

Maintenance and repairs in 1969 charged to income are as follows:

	<u>Company</u> (In Thousands of Dollars)	<u>Consolidated</u> (In Thousands of Dollars)
Included in costs and operating expenses	\$58,893	\$82,450
Included in selling, general and administrative expenses	<u>13,788</u>	<u>16,361</u>
	<u>\$72,681</u>	<u>\$98,811</u>

4. Intangible Development Costs:

The cost of drilling wells to develop new sources of crude oil and natural gas is charged to income as incurred. Included in intangible development costs is dry hole expense in the amount of \$14,180,000 (Company) and \$19,057,000 (Consolidated) in 1969.

5. Taxes:

Taxes, other than income taxes, charged to income in 1969 are as follows:

	<u>Company</u> (In Thousands of Dollars)	<u>Consolidated</u> (In Thousands of Dollars)
Capital stock and franchise	\$ 1,824	\$ 2,286
Social security	6,981	9,978
Crude oil and natural gas production	19,325	50,744
Ad valorem	22,777	27,511
Import, excise, sales and other	<u>5,943</u>	<u>8,169</u>
	<u>\$56,850</u>	<u>\$98,688</u>

In addition to the taxes shown above, direct sales and excise taxes, including State and Provincial gasoline and Federal gasoline and lubricating oil taxes were paid or accrued in the amount of \$349,869,000 (Company) and \$409,592,000 (Consolidated) which were collected and were not included in the statement of income.

Investment tax credits of \$4,383,000 (Company) and \$4,790,000 (Consolidated) have been applied as a reduction of Federal income tax expense in 1969.

The provision for income taxes includes deferred amounts of \$45,627,000 (Company) and \$50,367,000 (Consolidated) the most significant portions of which result from additional deductions for past service pension costs and accelerated depreciation allowable currently for tax purposes.

Notes to Financial Statements, Continued

6. Long Term Debt:

The current portion of long term debt, amounting to \$12,650,000 (Company) and \$21,635,000 (Consolidated), is included in notes and bonds payable. Long term debt due after one year at December 31, 1969 includes the following:

	<u>In Thousands of Dollars</u>
Sun Oil Company:	
Sinking fund debentures, 4 5/8%, due November 15, 1990 payable \$4,000,000 annually 1971-1989, \$20,000,000 in 1990	\$ 96,000
Sinking fund debentures, 4 1/4%, payable \$3,750,000 annually 1971-1986, \$15,000,000 in 1987	75,000
Notes payable, 4 1/2%, payable quarterly through 1974	28,571
Other notes payable	→ <u>3,652</u> 4 203,223
Subsidiaries:	
Notes payable, 4 1/2%, payable quarterly through 1974	28,572
Notes payable, 5 3/4%, payable \$2,000,000 annually 1971-1990, \$10,000,000 in 1991	50,000
Convertible debentures, 6%, due May 15, 1975	9,579
Notes payable, 8 1/2-9 1/2%, short term notes to be refinanced	58,136
Notes payable, 6 5/8%, due January 1, 1972	10,000
Mortgages payable, 6 1/4-8 1/4%, payable over varying periods up to 25 years.	6,117
First mortgage notes, 7 3/8%, payable 1975-1989	18,000
Notes payable, 4.95%, payable \$177,631 quarterly until 1978	4,670
Other notes payable	<u>14,635</u>
Grand total	<u>\$402,932</u>

The 6% convertible debentures due May 15, 1975 are issued by Great Canadian Oil Sands Limited. Until May 1, 1975, the holders of the debentures may convert 32 per cent of the principal amount of debentures into common stock of Great Canadian Oil Sands Limited at a price of \$7.44 per share increasing to \$14.88 per share, and the balance into non-convertible debentures bearing the same interest rate. In addition at any time prior to April 1, 1975, the holders of convertible debentures who are residents of the Province of Alberta, Canada, where these debentures were sold, may require Sun Oil Company Limited to purchase the debentures at a price equal to the principal amount and accrued interest.

The aggregate amount of long term debt maturing and sinking fund requirements in the years 1970 through 1974 is as follows:

	<u>Company</u> (In Thousands of Dollars)	<u>Consolidated</u> (In Thousands of Dollars)
1970	\$12,650	\$21,635
1971	15,601	28,977
1972	15,341	38,022
1973	15,230	29,314
1974	14,926	25,534

Notes to Financial Statements, Continued

7. Stockholders' Equity:

Each share of \$2.25 cumulative convertible preferred stock is entitled to one-quarter vote and each share of common stock is entitled to one full vote, voting together as one class.

Each share of preferred stock is convertible into .730 of a share of common stock, subject to adjustment for stock dividends and certain other transactions, and is redeemable at Sun's option on and after June 1, 1975, starting at \$60 per share and declining \$1 each year thereafter to \$57 per share.

The holders of the preferred stock have a preferential right in involuntary liquidation to receive \$52 per share, or \$55 per share if the liquidation is voluntary. The aggregate of such preferential amount, assuming involuntary liquidation, is \$869,078,000 in excess of the aggregate stated value of these shares. At December 31, 1969, the net assets including Sun's equity in the net assets of consolidated subsidiaries, exceeded the aggregate preferential amount in involuntary liquidation by \$653,768,000. Under the laws of New Jersey, in which Sun is incorporated, the excess of involuntary liquidation value of the preferred stock over the carrying value in the balance sheet will not restrict earnings employed in the business.

At December 31, 1969, 43,841 shares of unissued preferred stock are reserved for the exercise of outstanding stock options and settlement of incentive pay awards, and 13,530,443 shares of unissued common stock are reserved for potential conversion of issued and reserved shares of preferred stock.

8. Per Share Computations:

The per share computations of cash dividends and net income are based on the weighted average number of shares outstanding during each year, adjusted for stock dividends. The adjusted average number of common shares outstanding was 28,521,840 in 1969, and assuming full conversion of all preferred shares, was 42,020,379 shares.

9. Stock Option Plans:

Under Sunray's 1952 and 1959 incentive stock option plans in effect at the date of the merger, certain officers and key employees held options at December 31, 1969 to purchase 40,733 shares of preferred stock. The terms of the merger agreement provide that no additional options may be granted under the former Sunray plans.

Options are exercisable in cumulative annual installments over the term of the option. At December 31, 1969, all outstanding grants were ten-year options except for options to purchase 21,300 shares which were for five years. The options expire at varying dates through 1972. No charges are made to income in connection with the plans.

Information with respect to options granted under the plans is as follows:

	Number of Shares	Option Price		Market Value	
		Per Share	Total	Per Share	Total
Shares under option at December 31, 1969	40,733	\$20.88- 33.75	\$1,156,117	\$21.88- 33.75(a)	\$1,179,481
Options that became exer- cisable during 1969	16,413	20.88- 33.75	436,784	40.00- 55.63(b)	800,680
Options exercised during 1969	11,581	20.88- 30.13	282,337(d)	35.75- 53.38(c)	472,938

(a) At the date options were granted

(b) At the date options became exercisable

(c) At the date options were exercised

(d) Credited to capital accounts

Notes to Financial Statements, Continued

10. Pension Plans:

Sun and certain of its subsidiaries have contributory funded pension plans providing retirement benefits for their employees. The total expense for these plans was \$21,784,000 (Company) and \$25,857,000 (Consolidated) in 1969, which includes amortization of past service costs principally over 20 to 30 years. The Companies' policy, with minor exceptions, is to fund the total pension expense plus additional amounts as may be deductible for income tax purposes. Using the most recent actuarial calculations available, the liability for vested benefits under the Sunoco Division plans exceeds the total of the pension funds by approximately \$80,000,000 (Company) and \$87,000,000 (Consolidated). The Sunoco Division pension funds include \$52,308,000 (Company) and \$56,348,000 (Consolidated) of prepaid funding. The assets of the DX Division pension fund exceeded the value of the vested benefits.

11. Contingent Liabilities and Commitments:

Sun Oil Company and subsidiaries are contingently liable for guarantees of loans payable by associated companies and others approximating \$19,100,000 at December 31, 1969. Sun Oil Company is contingently liable in the amount of \$192,738,000 which includes \$175,792,369 relating to guarantees of obligations of consolidated subsidiaries. Management considers that losses, if any, from these guarantees would not be significant.

Rents and royalties charged to income in 1969 are as follows:

	<u>Company</u> (In Thousands)	<u>Consolidated</u> of Dollars)
Included in costs and operating expenses	\$15,209	\$21,639
Included in selling, general and administrative expenses	<u>23,959</u> <u>\$39,168</u>	<u>26,745</u> <u>\$48,384</u>

As of December 31, 1969 Sun Oil Company and subsidiaries had long term leases for service stations, office space and other property and equipment. Under existing contracts expiring at various dates after 1972, minimum annual rentals, without reduction for related rental income, will approximate \$15,000,000 (Company) and \$16,000,000 (Consolidated) through 1972, and diminishing amounts thereafter.

Sun Oil Company and subsidiaries have commitments in the ordinary course of business for the acquisition or construction of properties, plants and equipment and for the purchase of materials, supplies and services.

SUN OIL COMPANY
SCHEDULE III - INVESTMENT IN SECURITIES OF SUBSIDIARIES
FOR THE YEAR ENDED DECEMBER 31, 1969
(IN THOUSANDS OF DOLLARS)

Name of Issuer and Title of Each Issue	Balance at Beginning of Period		Additions		Deductions		Balance at Close of Period	
	Number of Shares	Amount in Dollars	Number of Shares	Amount in Dollars	Number of Shares	Amount in Dollars	Number of Shares	Amount in Dollars
Stocks of Subsidiaries Consolidated:*								
Sun Oil Company Limited	10,000	\$ 62,767	-	\$ -	-	\$ -	10,000	\$ 62,767
Sun Pipe Line Company	50,676	5,590	-	-	-	-	50,676	5,590
Sun Shipbuilding & Dry Dock Company	35,000	3,423	-	-	-	-	35,000	3,423
Iranian Sun Oil Company	1,000	100	-	-	-	-	1,000	100
Venezuelan Sun Oil Company	1,600	160	-	-	-	-	1,600	160
North Sea Sun Oil Company Ltd..	1,000	100	-	-	-	-	1,000	100
The Claymont Investment Company	100,000	29,910	-	-	-	-	100,000	29,910
Suntide Refining Company	1,000	11,989	-	-	-	-	1,000	11,989
Sunray Venezuela Oil Company, Inc..	1,000,000	4,527	-	-	-	-	1,000,000	4,527
Millcreek Leasing Company	-	-	100	2,697	-	-	100	2,697
Great Canadian Oil Sands Limited (Preferred stock)	-	-	1,250,000	116,137	-	-	1,250,000	116,137
Other Subsidiaries	397,076	36,726	489,644	1,360	1,090 (A)	100	885,630	37,986
		<u>\$155,292</u>		<u>\$120,244</u>		<u>\$100</u>		<u>\$275,436</u>

* Common stock unless otherwise noted.

Note: (A) Shares of Subsidiary Companies liquidated into Parent Company during the year.

SUN OIL COMPANY
 SCHEDULE IV AND X - COMBINED INDEBTEDNESS OF AND TO SUBSIDIARIES (A)
 FOR THE YEAR ENDED DECEMBER 31, 1969
 (IN THOUSANDS OF DOLLARS)

<u>Name of Subsidiary</u>	<u>Balance Receivable (Payable) at Beginning of Period</u>	<u>Balance Receivable (Payable) Close of Period</u>
Subsidiaries Consolidated:		
Sun Oil Company Limited	\$ 90,612	\$ 1,75
Sun Pipe Line Company	(1,043)	(94
Sun Shipbuilding & Dry Dock Company	16,809	13,14
Venezuelan Sun Oil Company	(18,751)	(26,26
Great Canadian Oil Sands Limited	24,425	(75
Iranian Sun Oil Company	20,626	14,95
North Sea Sun Oil Company Ltd..	8,574	8,70
Suntide Refining Company	(11,877)	(16,40
Sunray Venezuela Oil Company, Inc..	5,010	4,25
Millcreek Leasing Company	-	(18,00
Other Subsidiaries (66 at beginning of period) (64 at close of period)	99,774	116,296
	<u>\$234,159</u>	<u>\$ 96,761</u>

Note:

- (A) Amounts owing from and to subsidiaries include current as well as non-current items. However, no portion of such amounts has been classified as current assets or current liabilities in the Company's balance sheet inasmuch as the segregation of current items is not practicable.

SUN OIL COMPANY AND SUBSIDIARIES
SCHEDULE V - PROPERTIES, PLANTS AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 1969
(IN THOUSANDS OF DOLLARS)

<u>Classification</u>	<u>Balances at Beginning of Period</u>	<u>Additions at Cost</u>	<u>Retirements or Sales</u>	<u>Inter- Depart- mental Transfers</u>	<u>Other Changes Debit- (Credit)</u>	<u>Balances at Close of Period</u>
COMPANY:						
Production	\$ 865,240	\$ 74,620	\$40,712	\$223	\$ -	\$ 899,371
Manufacturing	511,629	33,376	8,170	-	-	536,835
Marketing	493,130	68,726	11,375	-	-	550,481
Transportation	63,308	18,808	7,918	-	-	74,198
Mining	221	-	221	-	-	-
Administrative and others	6,284	160	170	(223)	-	6,051
	<u>\$1,939,812</u>	<u>\$195,690</u>	<u>\$68,566</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$2,066,936</u>
CONSOLIDATED:						
Production	\$ 999,114	\$ 96,248	\$43,594	\$223	\$ -	\$1,051,991
Manufacturing	621,083	40,271	8,254	-	-	653,090
Marketing	566,626	80,347	13,187	-	898 (A)	634,684
Transportation	195,816	24,888	9,834	-	-	210,870
Mining	242,795	9,443	3,953	-	-	248,285
Shipyard	36,977	2,700	309	-	-	39,368
Administrative and others	21,680	1,234	1,845	(223)	-	20,846
	<u>\$2,684,091</u>	<u>\$255,131</u>	<u>\$80,986</u>	<u>\$ -</u>	<u>\$898</u>	<u>\$2,859,134</u>

Note:

- (A) Difference between net book value of properties, plants and equipment of newly purchased companies at date of acquisition (included under "Additions at Cost,") and the original cost of the properties, plants and equipment.

Schedule V
Company and
Consolidated

SUN OIL COMPANY AND
SUN OIL COMPANY AND SUBSIDIARIES
SCHEDULE VI - RESERVES FOR DEPRECIATION AND DEPLETION
OF PROPERTIES, PLANTS AND EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 1969
(IN THOUSANDS OF DOLLARS)

Classification	Balances at Beginning of Period	Additions		Retire- ments	Inter- Depart- mental Transfers	Balances at Close of Period
		Charged to Income (A)	Charged to Other Accounts			
COMPANY:						
Production	\$ 413,199	\$27,678	\$ -	\$12,728	\$ -	\$ 428,149
Manufacturing	303,258	19,430	-	7,868	-	314,820
Marketing	138,753	20,378	1,036 (B)	4,004	-	156,163
Transportation	50,555	1,214	-	7,319	-	44,450
Administrative and other	3,597	387	-	146	-	3,838
	<u>\$ 909,362</u>	<u>\$69,087</u>	<u>\$1,036</u>	<u>\$32,065</u>	<u>\$ -</u>	<u>\$ 947,420</u>
CONSOLIDATED:						
Production	\$ 454,203	\$33,811	\$ -	\$12,235	\$ -	\$ 475,779
Manufacturing	353,061	25,478	-	7,936	-	370,603
Marketing	164,308	23,500	1,728 (B)	4,743	-	184,793
Transportation	115,629	5,937	-	8,278	-	113,288
Mining	3,746	5,135	691 (C)	77	-	9,495
Shipyard	21,423	1,085	-	238	-	22,270
Administrative and other	6,083	1,193	-	642	-	6,634
	<u>\$1,118,453</u>	<u>\$96,139</u>	<u>\$2,419</u>	<u>\$34,149</u>	<u>\$ -</u>	<u>\$1,182,862</u>

Notes:

	Company	Consolidated
(A) Depreciation	\$63,038	\$ 83,260
Cost depletion	6,049	7,879
Total additions to reserves	<u>69,087</u>	<u>96,139</u>
Retirements	4,326	4,421
Abandonments	<u>17,468</u>	<u>19,661</u>
Amount shown in statement of income as depreciation, cost depletion and retirements	<u>\$90,881</u>	<u>\$ 120,221</u>

(B) Accumulated reserves of newly acquired companies at date of acquisition, charged to Properties, Plants and Equipment.

(C) Adjustment of prior years' depreciation of certain equipment of Great Canadian Oil Sands Limited, charged to Properties, Plants and Equipment.

Schedule VI
Company and
Consolidated

SUN OIL COMPANY AND
SUN OIL COMPANY AND SUBSIDIARIES
SCHEDULE VII - INTANGIBLE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 1969
(IN THOUSANDS OF DOLLARS)

<u>Description</u>	<u>Balance at Beginning of Period</u>	<u>Additions at Cost</u>	<u>Deductions Charged to Income (A)</u>	<u>Balance at Close of Period</u>
COMPANY:				
Excess of cost of investments in subsidiaries over equity in net assets acquired	<u>\$4,323</u>	<u>\$271</u>	<u>\$1,393</u>	<u>\$3,201</u>
CONSOLIDATED:				
Excess of cost of investments in subsidiaries over equity in net assets acquired	<u>\$7,265</u>	<u>\$615</u>	<u>\$1,651</u>	<u>\$6,229</u>

Note:

- (A) The excess of cost of investment in subsidiaries over equity in net assets acquired is being amortized principally over a five-year period.

SUN OIL COMPANY AND SUN OIL COMPANY AND SUBSIDIARIES
SCHEDULE IX - BONDS, MORTGAGES AND SIMILAR DEBT
AS OF DECEMBER 31, 1969
(IN THOUSANDS OF DOLLARS)

<u>Name of Issuer and Title of Each Issue (A)</u>	<u>Amount Authorized by Indenture</u>	<u>Amount Issued and Not Retired or Cancelled</u>	<u>Amount Held by or for Account of Issuer Thereof</u>	<u>Amount Which is Not Held by or for Account of Issuer Thereof</u>	<u>Amount Included in Sum Extended Under Caption "Long Term Debt" in Related Balance Sheet (C)</u>
COMPANY:					
Sinking fund debentures, 4 5/8%	\$100,000	\$100,000	\$4,749 (D)	\$95,251	\$ 96,000
Sinking fund debentures, 4 1/4%	75,000	75,000	-	75,000	75,000
Notes payable to banks under credit agreement	50,000	35,714	-	35,714	28,571
Other notes payable	No indenture	5,160	-	5,160	<u>3,652</u>
					203,223
SUBSIDIARIES:					
Sun Oil Company Limited (B)					
Notes payable to banks under credit agreement	50,000	35,714	-	35,714	28,572
Great Canadian Oil Sands Limited (B)					
Convertible debentures	11,625	9,579	-	9,579	9,579
Notes payable, 5 3/4%	50,000	50,000	-	50,000	50,000
Short-term notes to be refinanced	No indenture	58,136	-	58,136	58,136
Mortgages payable	No indenture	6,117	-	6,117	6,117
Sun International Finance Corporation					
Notes payable	10,000	10,000	-	10,000	10,000
OMR Pipe Line Company					
Notes payable	6,400	5,135	-	5,135	4,670
Millcreek Leasing Company					
First mortgage notes, 7 3/8%	18,000	18,000	-	18,000	18,000
Other notes and mortgages payable	Various	16,062	-	16,062	<u>14,635</u>
					<u>\$402,932</u>

Notes:

- (A) See note 6 to financial statements
- (B) Stated in U. S. dollars, translated at appropriate rates of exchange
- (C) Excludes amounts (\$12,651,000 Company, \$21,685,000 Consolidated) due within one year and included in notes and bonds payable in the annexed balance sheets
- (D) Held for resale and included, at cost, in other investments in the annexed balance sheets
- (E) Columns F, G and H have been omitted, the answer in each instance being "NONE"

Schedule IX
Company and
Consolidated

STOCK PURCHASE PLAN FOR THE
EMPLOYEES OF SUN OIL COMPANY

Item 1. Changes in the Plan

No change during year.

Item 2. Changes in Investment Policy

No change during year.

Item 3. Participating Employees

As of December 31, 1969, there were 11,372 employees participating in the 1969 P:

Item 4. Administration of the Plan

The Administrators of the Plan are:

R. R. Anderson	1608 Walnut Street, Philadelphia, Pennsylvania 19103
J. H. Perrine	1608 Walnut Street, Philadelphia, Pennsylvania 19103
John E. Rohrer	1608 Walnut Street, Philadelphia, Pennsylvania 19103
Robert H. Schwenk	1608 Walnut Street, Philadelphia, Pennsylvania 19103

Each of the above-named Administrators has been employed by Sun Oil Company for more than twenty-five years. Mr. R. R. Anderson is Director of Production; Mr. J. H. Perrine is Director of Industrial Relations; Mr. John E. Rohrer is Assistant Director of Industrial Relations and Mr. Robert H. Schwenk is Manager of the Tax Department. No compensation is paid to the Administrators for their services in such capacity.

Item 5. Custodian of Investments

The Philadelphia National Bank, Broad and Chestnut Streets, Philadelphia, Pennsylvania 19107, is the Trustee under the Plan. The Trustee receives no compensation from the Plan, all such compensation being borne by Sun Oil Company. Acting as Trustee is a normal bank function of The Philadelphia National Bank and, as such, is covered by a Bankers Blanket Bond which covers all bank employees with limits of \$7,000,000.

STOCK PURCHASE PLAN FOR THE
EMPLOYEES OF SUN OIL COMPANY (Continued)

Item 6. Reports to Participating Employees

At the end of each quarter during the year in which payments are made into the Plan, the Administrator's shall give to each participant a statement of his account.

Item 7. Financial Statements and Exhibits

(a) Financial Statements

Financial Statements (as indicated by index) are filed as a separate part of this report.

(b) Exhibits

No Exhibits.

STOCK PURCHASE PLAN FOR THE
EMPLOYEES OF SUN OIL COMPANY

INDEX TO ACCOUNTANTS' REPORTS AND FINANCIAL STATEMENTS

UNMATURED PLANS:

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Statements of Cash Receipts and Disbursements and of Share Investments for the Fiscal Years Ended June 30, 1967, 1968 and 1969 and the Six Months Ended December 31, 1969	F-4
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MATURED PLANS:

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Balance Sheet of Matured Plans as of December 31, 1969	F-7
Statement of Changes in Members' Equity for the Year Ended December 31, 1969	F-7
Notes to Financial Statements	F-8

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Trustee of the Stock Purchase Plan for the
Employees of Sun Oil Company
Philadelphia, Penna.

We have examined the financial statements for the unmatured plans of the Stock Purchase Plan for the Employees of Sun Oil Company, consisting of balance sheets of December 31, 1969, and statements of cash receipts and disbursements and of share investments of such unmatured plans for the fiscal years ended June 30, 1967, 1968 and 1969, and the six months ended December 31, 1969. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we consider necessary in the circumstances.

In our opinion, the accompanying financial statements (Pages F-3 to F-5) present fairly the position of the unmatured plans as of December 31, 1969, and the cash receipts and disbursements and the changes in share investments of such unmatured plans for the fiscal years ended June 30, 1967, 1968 and 1969, and the six months ended December 31, 1969, in conformity with the Rules of the Stock Purchase Plan applied on a consistent basis.

LYBRAND, ROSS BROS. & MONTGOMERY

Philadelphia, Penna.
February 20, 1970

STOCK PURCHASE PLAN FOR THE EMPLOYEES OF SUN OIL COMPANY
BALANCE SHEETS OF UNMATURED PLANS
DECEMBER 31, 1969

ASSETS

	<u>Accounts in Shares</u>	<u>Accounts in Dollars</u>
Plan of 1965-66:		
Investments, Sun Oil Company common stock	265,843	
Cash	<u>265,843</u>	<u>\$ 5,066</u>
Plan of 1966-67:		
Investments, Sun Oil Company common stock	248,099	
Cash	<u>248,099</u>	<u>\$ 3,603</u>
Plan of 1967-68:		
Investments, Sun Oil Company common stock	216,570	
Cash	<u>216,570</u>	<u>\$ 6,879</u>
Plan of 1968-69:		
Investments, Sun Oil Company common stock	215,737	
Cash	<u>215,737</u>	<u>\$ 7,675</u>
Plan of 1969-70:		
Investments, Sun Oil Company common stock	164,562	
	<u>164,562</u>	
Summary:		
Investments, Sun Oil Company common stock	1,110,811	
Cash	<u>1,110,811</u>	<u>\$23,223</u>
		<u>\$23,223</u>

EQUITY

	<u>Accounts in Shares</u>	<u>Accounts in Dollars</u>
Plan of 1965-66:		
Members' Accounts	199,867	
Surplus	<u>65,976</u>	<u>\$ 5,066</u>
Plan of 1966-67:		
Members' Accounts	198,305	
Surplus	<u>49,794</u>	<u>\$ 3,603</u>
Plan of 1967-68:		
Members' Accounts	184,048	
Surplus	<u>32,522</u>	<u>\$ 6,879</u>
Plan of 1968-69:		
Members' Accounts	196,279	
Surplus	<u>19,458</u>	<u>\$ 7,675</u>
Plan of 1969-70:		
Members' Accounts	152,089	
Adjustment for shares purchased but not applied to members' accounts	<u>5,995</u>	<u>\$(301,558)</u>
Surplus	<u>158,084</u>	
	<u>6,478</u>	
	<u>164,562</u>	
Summary:		
Members' Accounts	930,588	
Adjustment for shares purchased but not applied to members' accounts	<u>5,995</u>	<u>\$ 301,558</u>
Surplus	<u>936,583</u>	
	<u>174,228</u>	<u>\$ 23,223</u>
	<u>1,110,811</u>	<u>\$ 23,223</u>

() Denotes deduction

See appended notes which are an integral part of these balance sheets.

STOCK PURCHASE PLAN FOR THE EMPLOYEES OF SUN OIL COMPANY
UNMATURED PLANS AT DECEMBER 31, 1969

STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS AND OF SHARE INVESTMENTS
For the Fiscal Years Ended June 30, 1967, 1968 and 1969 and the Six Months Ended December 31, 1969

	Plan of 1965-66				Plan of 1966-67				Plan of 1967-68			Plan of 1968-69		Plan of 1969-70
	Year Ended June 30,			Six Months Ended December 31, 1969	Year Ended June 30,			Six Months Ended December 31, 1969	Year Ended June 30,		Six Months Ended December 31, 1969	Year Ended June 30, 1969	Six Months Ended December 31, 1969	Six Months Ended December 31, 1969
	1967	1968	1969		1967	1968	1969		1968	1969				
Cash Receipts and Disbursements:														
Cash balances at beginning of periods	\$ —	\$ 6,361	\$ 4,222	\$ 1,441	\$ —	\$ —	\$ 6,210	\$ 3,117	\$ —	\$ —	\$ 5,183	\$ —	\$ —	\$ —
Receipts:														
Members' option transfers of closing balances from plan of preceding year					247,529				297,353			347,037		347,956
Contributions by employees					8,532,146				9,379,111			10,063,037		5,531,189
Contributions by company					4,266,073				4,069,556			5,031,519		2,765,595
Dividends on shares applied to members' accounts	227,238	218,324	209,141	100,726	89,417	219,312	208,454	100,063	74,458	194,863	93,001	75,181	99,551	17,540
Dividends on shares not applied to members' accounts	15,069	29,676	43,633	25,397	23,385	14,096	28,171	17,739	22,766	12,788	9,990	27,664	3,394	12,573
Sales of shares to plans of other years	273,829		15,978	3,377	94,278	323,210	1,190	86	125,416	376,515	1,509	97,604	377,916	
	516,136	254,361	272,974	130,941	13,252,828	556,618	244,025	121,005	14,588,660	584,166	109,683	15,642,842	480,601	8,674,853
Disbursements:														
Purchases of shares from plans of other years	7,409	21,760	51,488	21,348	353,895	7,280	17,913	11,202	310,761			541,400		462,922
Other purchases of shares					12,720,076				14,058,335			14,878,001		8,133,416
Members' withdrawals from plans	27,599	10,055	10,904	3,801	89,440	26,457	14,541	6,137	115,108	36,463	9,803	148,060	25,679	60,975
Members' option transfers of closing balances to plan of succeeding year	247,529					297,353				347,637			347,956	
Dividends paid to members	227,238	218,324	209,141	100,726	89,417	219,312	208,454	100,063	74,458	194,863	93,001	75,181	99,551	17,540
	509,775	250,139	271,533	125,875	13,252,828	550,408	240,908	117,402	14,588,660	578,983	102,804	15,642,842	473,186	8,674,853
Cash balances at end of periods	\$ 6,361	\$ 4,222	\$ 1,441	\$ 5,066	\$ —	\$ 6,210	\$ 3,117	\$ 3,603	\$ —	\$ 5,183	\$ 6,879	\$ —	\$ 7,675	\$ —
Share Investments														
Sun Oil Company Common Stock:														
Number of shares at beginning of periods	245,244	245,674	250,244	255,379	—	230,437	234,695	238,625	—	211,950	208,736	—	214,678	—
Additions:														
Purchases of shares from plans of other years	126	325	761	440	6,740	102	265	236	4,882			7,588		7,011
Other purchases of shares					230,205				209,462			208,217		151,797
Shares received as dividends	14,183	12,163	14,819	15,089	4,644	11,459	13,873	14,088	3,114	12,169	12,308	4,634	12,275	5,719
	259,543	258,162	265,821	270,908	241,589	247,998	248,833	252,949	217,458	224,119	221,044	220,437	226,953	165,127
Deductions:														
Sale of shares to plans of other years	5,170		233	79	1,575	4,607	15	2	1,859	5,275	26	1,429	6,281	
Members' withdrawals from plans	8,699	7,918	10,212	4,986	3,577	8,696	10,193	4,848	3,649	10,108	4,448	4,330	4,935	565
	13,869	7,918	10,445	5,065	5,152	13,303	10,208	4,850	5,508	15,383	4,474	5,759	11,216	565
Number of shares at end of periods	245,674	250,244	255,379	265,843	236,437	234,695	238,625	248,099	211,950	208,736	216,570	214,678	215,737	164,562

See appended notes which are an integral part of these statements.

STOCK PURCHASE PLAN FOR THE
EMPLOYEES OF SUN OIL COMPANY
UNMATURED PLANS
NOTES TO FINANCIAL STATEMENTS

1. It is the practice of the Administrators to keep the accounts of each Plan open at the end of each quarterly accounting period to record therein subsequent transactions applicable to the period then ended.
2. Funds received by the Trustee for the Stock Purchase Plan are invested as promptly as practicable in common stock of Sun Oil Company. The shares purchased are applied quarterly to members' accounts only to the extent that the individual accounts reflect contributions sufficient for the cost of full shares. In the accompanying balance sheet of the Plan of 1969-70, an adjustment has been made for the unapplied shares and dollar balances based on the average cost of shares during the quarterly accounting period ended December 31, 1969.
3. The District Director of Internal Revenue has given a determination that the Plan meets the requirements of Section 401(a) and is entitled to exemption from Federal Income Tax under Section 501(a) of the Internal Revenue Code.
4. In the year a Plan matures, participating employees who elect to receive from the Trustee their full share, including stock purchased with the Company's contributions and a share of the surplus fund, will be subject to Federal Income Tax at ordinary rates on the fair market value of all stock received which was purchased with the Company's funds.
5. At December 31, 1969, the Trustee held 20,550 shares of Sun Oil Company common stock and \$46,584 in cash pending distribution to the estates of deceased employee members and to retired employees. These amounts have been withdrawn from the unmatured plans and are not included in the accompanying balance sheets.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Trustee of the Stock Purchase Plan for the
Employees of Sun Oil Company
Philadelphia, Penna.

We have examined the financial statements for the matured plans held in trust of the Stock Purchase Plan for the Employees of Sun Oil Company consisting of the balance sheet as of December 31, 1969, and the statement of changes in members' equity for the year ended December 31, 1969. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying financial statements (Pages F-7 to F-8) present fairly the position of the matured plans held in trust as of December 31, 1969, and the changes in members' equity for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

LYBRAND, ROSS BROS. & MONTGOMERY

Philadelphia, Penna.
February 20, 1970

STOCK PURCHASE PLAN FOR THE EMPLOYEES OF SUN OIL COMPANY
BALANCE SHEET OF MATURED PLANS HELD IN TRUST
DECEMBER 31, 1969

ASSETS			EQUITY		
	<u>Accounts in Shares</u>	<u>Accounts in Dollars</u>		<u>Accounts in Shares</u>	<u>Accounts in Dollars</u>
Investments, Sun Oil Company common stock at cost (Market value \$12,749,821)	293,944	\$7,334,191	Members' Accounts	293,944	\$7,334,191
	<u>293,944</u>	<u>\$7,334,191</u>		<u>293,944</u>	<u>\$7,334,191</u>

MATURED PLANS HELD IN TRUST
STATEMENT OF CHANGES IN MEMBERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 1969

	<u>Accounts in Shares</u>	<u>Accounts in Dollars</u>
Balances at beginning of year	251,456	\$6,200,7
Investment Income:		
Cash dividends received on behalf of members	-	263,3
Less cash dividends paid to members	-	263,3
Net Investment Income	-	-
Deposits:		
Shares (at cost) deposited from maturing plan (Note 5)	43,959	1,613,2
Stock dividends received on behalf of members	16,760	
Purchase of fractional shares by members	1,028	51,9
	<u>61,747</u>	<u>1,665,1</u>
Withdrawals (at cost):		
Withdrawals by members	17,772	454,3
Sale of fractional shares by members	1,487	77,3
	<u>19,259</u>	<u>531,7</u>
Balance of Members' Equity, December 31, 1969	<u>293,944</u>	<u>\$7,334,1</u>

See appended notes which are an integral part of these statements.